

# UNDERLYING TONE OF MARKET BULLISH

Speculation Confident—Substantial Banking Interests Are Maintaining Prices.

Bank Statement Better Than Expected—Decreased Railway Earnings.

NEW YORK, Jan. 3.—A good bank statement was expected today but the statement that appeared was better than expected.

Loans were practically unchanged, but deposits increased \$7,161,000, so that the excess of loans over deposits is now reduced to a little over \$2,000,000. The cash held by the banks increased in the large sum of \$4,435,000, so that surplus reserves were enlarged in gratifying degree.

Previous estimates of the increase in cash were much less than the figure named. The large increase shown probably resulted from the return of Christmas money to places of deposit.

Anticipation of the bank statement and the construction placed upon it by the market after it appeared was practically the only feature in the day's trading. Before the statement was published, the market was inclined to sag, on a continuation of the profit-taking movement noticed yesterday.

The St. Paul common shares led in this movement, and, indeed, remained heavy until the close of the market. The rally that followed after the publication of the bank return carried prices, in most instances, back to the closing figures of yesterday.

Conservative commission houses are still advising caution on the part of their customers, although stating that they believe that higher prices will be seen before the end of the month. Nothing is more clear than that the underlying temper of speculation is bullish. The probability is, therefore, that anything like reasonably low rates for the use of money will be followed by rapidly advancing quotations throughout the general security list. The prudent speculator will, however, pay some attention to the advance that has already occurred without notable reaction.

Decreased Railway Earnings. More railroad statements for November appeared today, showing decreases in net earnings, owing to increased operating expenses. The gross income of \$691,500 of the Pennsylvania Railroad for its lines east of Pittsburgh was changed into a net decrease of \$671,000. A net increase on the lines west of Pittsburgh effected small net increase for the Pennsylvania system as a whole.

The weekly statement of imports of general merchandise shows that these imports are still proceeding at a great rate, although they are offset to some extent by increased exports of corn.

The outlook for speculation for the rise in the cotton market, while it may be justified by the unfavorable weather that has recently prevailed in the South, and by the belief that the large estimates of the cotton crop that have recently been current are without foundation, is, nevertheless, at this time, not a good thing for our export trade and for the foreign exchange market.

Trading in Tobacco. The declaration last Wednesday of a dividend of 20 per cent upon the stock of the Consolidated Tobacco Company has naturally caused a marked rise in the price of the stock of that company as dealt in on the outside market. This stock is, however, so closely held that there is comparatively little trading in it.

The only outlet for a demonstration of the feeling now prevalent in Wall Street as to the prosperity of the company is the Consolidated Tobacco 4 per cent bonds in the bond market. The bonds have, therefore, recently been very active and strong, and have, in fact, been one of the dominant features of the bond list in the last few days.

The news that the directors of the Union Pacific Company were still negotiating with a committee of their employees regarding the demands made by the latter for higher wages, and that something like a hitch had arisen in these negotiations over the matter of piece work, did not appreciably affect the Union Pacific and Southern Pacific shares. The Street feels confident that all labor difficulties on these roads will soon be satisfactorily adjusted.

Summing up the entire situation at the close of the market for the week, the present feeling in the financial community is, undoubtedly, that no such advance in market prices as has recently occurred could have taken place if substantial banking interests had not wished it and were not themselves assured as to the safety and soundness of present conditions. Until this attitude changes, and that is of such, until the great money lending institutions again tighten their purse strings, the great majority of speculators, in their present temper, will choose to buy rather than to sell.

New York Stock Exchange, Jan. 3.

High	Low	Last	Chg.
Am. Copper	62 1/2	64	+ 1 1/2
Am. Car & F.	36 1/2	37 1/2	+ 1
Am. Sugar	128 1/2	127 1/2	- 1
Am. Tobacco	84 1/2	83 1/2	- 1
Am. Tel. & Tel.	101	100 1/2	- 1/2
Am. Transp.	101	100 1/2	- 1/2
Atchafalpa	67 1/2	66 1/2	- 1
Ches. & Ohio	48 1/2	48 1/2	0
Chi. & Alton	35 1/2	35 1/2	0
Chi. & West.	28 1/2	28 1/2	0
C. & O.	17 1/2	17 1/2	0
Col. So.	29 1/2	29 1/2	0
Det. South.	19 1/2	19 1/2	0
Erie	30 1/2	30 1/2	0
Gen. S.	14 1/2	14 1/2	0
Ill. Cent.	14 1/2	14 1/2	0
Ind. Cent.	14 1/2	14 1/2	0
Int. Harb.	14 1/2	14 1/2	0
Lehigh & N.	14 1/2	14 1/2	0
Long. & N.	14 1/2	14 1/2	0
Mo. Pac.	109	107 1/2	- 1 1/2
Nat. Lead	28 1/2	28 1/2	0

LONDON MARKET LETTER. LONDON, Jan. 3.—Money was in great abundance in the market today. Discount was weakened and caution was maintained on account of the weakness of Paris exchange.

On the stock exchange operators were cheerful and the business transacted was beyond the usual Saturday's limit, outsiders operating to a fair extent. Consols improved as the result of the ease of money. Home rails were moderately active, and mostly higher. Americans opened irregular and fractionally on either side of parity. Their tone was firm, in expectation of a good bank statement.

# JANUARY SHOULD SHOW MORE ACTIVE MARKET

Henry Clews' Review of Finance and Trade

NEW YORK, Jan. 3.—Henry Clews' weekly letter says:

"The year opens under somewhat different auspices than in 1902. Then the top of the 'boom' was not in sight. Today it has been fairly passed, at least so far as Wall Street is concerned. The industrial, commercial, and agricultural interests of the country continue enjoying great prosperity, Wall Street is soberly contemplating its past excesses. The period of intoxication is over; the depression following has also fairly passed off, but the rank and file are still pondering over the extraordinary doings of the last few years and endeavoring to return to more normal conditions. The result is a somewhat confused though not unpromising outlook.

"A look into trade conditions shows that the volume of business continued on an enormous scale. The growth of population and the spread of prosperity among the masses mean a great consumption of the necessities and comforts of life, to say nothing of luxuries in demand by the wealthy.

"The spirit of lavishness is abroad in sharp contrast with a former spirit of economy; and this alone is a tremendous trade stimulant. In many cases production, rapidly as it is increasing in various lines, has failed thus far to overtake consumption, and so prices continue high. All the chief industries are actively employed; and if profits are declining, the volume of orders shows no diminution.

"Rushed With Orders. 'Everyone has been expecting a reaction in the iron trade; yet the great steel corporation is still rushed with orders and has plenty of business in sight for months to come. In spite of increased competition, the development of the country and new uses for iron and steel have kept the demand for former standards. The same is true in many other lines of industry, old establishments and new ones being fully employed, with no immediate prospect of oversupply. In the agricultural field similar conditions prevail. Another crop failure like that of 1901 would have been disastrous.

"Large Crops and Good Prices. 'Instead, we have been favored with large crops and good prices, so that the farming classes are unusually well-to-do. Throughout the West there is great activity and astonishing development. This is demonstrated by the congested condition of traffic on all the principal railroads, as well as by the fact that the freight moved on the Great Lakes in

helped values. There was weakness, however, at the close, in sympathy with wheat and on selling, which was then thought to date back to the early buyers.

"Oats were slow, but held firm. There was some selling of oats by the cereal concerns, while the buying was scattered and mainly speculative.

"There was a series of serious fluctuations in January. The market broke \$1 per barrel on small offerings, but the decline brought in such an amount of buying as to cause a recovery of half the loss. There was some little selling in this recovery and the market was nervous and peculiarly sensitive to it. The close was at a net loss of 55 cents per barrel for the day. There was rather influential selling of May product by the same interests that have heretofore been the largest buyers of January. The result was a weak market all around.

"Hogs at the yards were 5 to 10 cents lower with receipts 3,000 more than estimated.

"The local stock of lard is only 12,000 casks against 600 a year ago, and 7,000,000 pounds against 21,000,000 pounds last year.

"WHEAT. High. Low. Close. Wed. Jan. 70 1/2 70 1/2 70 1/2 70 1/2. May 70 1/2 70 1/2 70 1/2 70 1/2. July 70 1/2 70 1/2 70 1/2 70 1/2.

"CORN. High. Low. Close. Wed. Jan. 43 1/2 43 1/2 43 1/2 43 1/2. May 43 1/2 43 1/2 43 1/2 43 1/2. July 43 1/2 43 1/2 43 1/2 43 1/2.

"OATS. High. Low. Close. Wed. Jan. 31 1/2 31 1/2 31 1/2 31 1/2. May 31 1/2 31 1/2 31 1/2 31 1/2. July 31 1/2 31 1/2 31 1/2 31 1/2.

"RICE. High. Low. Close. Wed. Jan. 8 1/2 8 1/2 8 1/2 8 1/2. May 8 1/2 8 1/2 8 1/2 8 1/2. July 8 1/2 8 1/2 8 1/2 8 1/2.

"SUGAR. High. Low. Close. Wed. Jan. 16 1/2 16 1/2 16 1/2 16 1/2. May 16 1/2 16 1/2 16 1/2 16 1/2. July 16 1/2 16 1/2 16 1/2 16 1/2.

"COFFEE. High. Low. Close. Wed. Jan. 14 1/2 14 1/2 14 1/2 14 1/2. May 14 1/2 14 1/2 14 1/2 14 1/2. July 14 1/2 14 1/2 14 1/2 14 1/2.

"TEA. High. Low. Close. Wed. Jan. 14 1/2 14 1/2 14 1/2 14 1/2. May 14 1/2 14 1/2 14 1/2 14 1/2. July 14 1/2 14 1/2 14 1/2 14 1/2.

"SPICES. High. Low. Close. Wed. Jan. 14 1/2 14 1/2 14 1/2 14 1/2. May 14 1/2 14 1/2 14 1/2 14 1/2. July 14 1/2 14 1/2 14 1/2 14 1/2.

"FURS. High. Low. Close. Wed. Jan. 14 1/2 14 1/2 14 1/2 14 1/2. May 14 1/2 14 1/2 14 1/2 14 1/2. July 14 1/2 14 1/2 14 1/2 14 1/2.

"GOLD. High. Low. Close. Wed. Jan. 14 1/2 14 1/2 14 1/2 14 1/2. May 14 1/2 14 1/2 14 1/2 14 1/2. July 14 1/2 14 1/2 14 1/2 14 1/2.

# THE BANK STATEMENT.

NEW YORK, Jan. 3.—The statement of the condition of the Associated Banks for the week ended today showed the following changes in the various items:

Reserve on all deposits increased \$3,644,650; reserve on deposits other than United States increased \$3,637,100; loans increased \$30,000; deposits, including United States, increased \$7,161,000; legal tenders increased \$4,180,600, and specie increased \$1,254,100; circulation increased \$48,800.

A detailed statement follows:

1902	1903	Chg.
Loans	\$73,322,000	\$800,000
Deposits	\$73,150,000	\$7,161,000
Legal tenders	\$4,180,600	\$1,254,100
Specie	\$1,254,100	\$1,254,100
Reserve on all deposits	\$3,644,650	\$3,644,650
Reserve on deposits other than U. S.	\$3,637,100	\$3,637,100
Legal tenders	\$4,180,600	\$4,180,600
Specie	\$1,254,100	\$1,254,100
Circulation	\$48,800	\$48,800
Surplus	\$1,254,100	\$1,254,100
U. S. deposits	\$1,254,100	\$1,254,100

"Five days.

WASHINGTON STOCK MARKET. Sales—Washington Street Railway 4 1/2, 3,000@99; Green Copper, 20@25. After call—Metropolitan, 10@10 1/2; Washington Street Railway 4 1/2, 3,000@99; Green Copper, 20@25.

RAILROAD BONDS. Bid. Asked. Met. R. R. 4 1/2, 3,000@99; Green Copper, 20@25.

MISCELLANEOUS BONDS. Bid. Asked. Met. R. R. 4 1/2, 3,000@99; Green Copper, 20@25.

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# FINANCIAL.

Seventh Monthly Dividend Jan. 15

WILL BE PAID BY THE CALIFORNIA-NEVADA MINING CO. 60% PER ANNUM GUARANTEED

PRESENT DIVIDEND, 1 PER CENT PER MONTH ON PAR VALUE UNTIL MILL IS COMPLETED.

W. H. BALDWIN & CO., Brokers and Financial Agents.

The New Year. THE NEW YEAR, OR THE FIRST PART OF IT, WILL MORE THAN LIKELY WITNESS MATERIALLY INCREASED ACTIVITY IN THE STOCK MARKET.

"Daily Market Letter."

HAIGHT & FRESE CO. STOCKS, BONDS, GRAINS, COTTON

THE WASHINGTON LOAN AND TRUST COMPANY.

JOHN JOY EDSON, President.

REAL ESTATE DEPARTMENT.

Money May Be Borrowed From the Equitable.

UNION TRUST & STORAGE CO.

SAVINGS ACCOUNTS taken in any amount and subject to check at will—2% INTEREST ALLOWED.

THE NATIONAL SAFE DEPOSIT, SAVINGS AND TRUST COMPANY.

STEEL INTERESTS SOLD.

AMERICAN SECURITY AND TRUST CO.

THE MUTUAL INVESTMENT FIRE INSURANCE CO.

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LOANS OF \$10

AND UPWARD ON FURNITURE AND PIANOS.

NATIONAL MORTGAGE LOAN CO.

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